SUPREME COURT, U. S.
FILED
AUG 19 1975
MICHAEL RODAK, JR., CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1975

No. 75-266

HYMAN KRAMER, doing business as HY KRAMER ENTERPRISES,

Petitioner,

v.

DURALITE COMPANY, INC., and G & A MACHINE WORKS, INC.,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

HARVEY E. BUMGARDNER, JR.
Attorney for Petitioner
1230 Sixth Avenue
New York, N. Y. 10020

Of Counsel:

BARBARA BUMGARDNER
327 West Fourth Street
New York, N. Y. 10014

ARTHUR, DRY & KALISH
1230 Sixth Avenue
New York, N. Y. 10020

INDEX TO PETITION

	PAGE
Opinions Below	1
Jurisdiction	2
Questions Presented	2
Constitutional Provisions, Statutes and Rules Involved	5
Statement of the Case	5
The Proceedings Below	5
The Parties and the Witnesses	7
The Patent in Suit	8
The District Court's Pertinent Findings of Fact	9
Pertinent Trial Testimony	10
Summary of Argument	12
Reasons for Granting the Writ	14
I. The Court Should Review the Decisions Below Because Those Decisions are in Conflict with the Prior Decisions of This Court on a Federal Question—Inventorship under 35 U.S.C. § 101 as Related to the Oath of the Patent Applicant under 35 U.S.C. § 115 and the Imposition of Sanctions Under 35 U.S.C. § 285. In Part, this Federal Question is One which has Not Been Considered by the Court for More than Half a Century and, in Part, it is an Important Question of Federal Law which has Not Been, but Should Be, Settled by the Court	14

PAGE

The Central Issue Remaining in this Case is the Truth or Untruth of Kramer's Oath of Inventorship 14

The Oath of Inventorship is Directed to the Substance of the Patent Application 15

The Inventor Is The One Who Conceives The Invention 16

Kramer Was The Sole Inventor Of The Claimed Subject Matter 18

In View of the Complexity of Inventorship Issues in Patent Cases, the District Court's Conclusion that Kramer Knowingly Lied When he Claimed to be the Sole Inventor is Unwarranted 21

The Statement by the Court of Appeals that Kramer's Actual Contribution as a Sole or Joint Inventor "Is not the Real Issue" is a Non-sequitur in View of that Court's Acknowledgment that the Remaining Issue in this Case Hangs on the Truth or Falsity of Kramer's Oath of Inventorship 23

II. The Court Should Review the Decisions Below Because Those Decisions Have Decided an Important Question of Federal Law which Has Not Been but Should Be, Settled by the Court—Whether a Trial Court's Finding of Perjury During the Course of a Civil Action for Infringement of a Patent Should be Sanctioned by an Award of Attorney Fees, Pursuant to 35

PAGE

U.S.C. § 285, or, if Punished at all, Should be the Subject Matter of Criminal Prosecution Pursuant to 18 U.S.C. § 1621 and Fed. Rules Cr. Proc., 18 U.S.C., Generally 25

III. The Court Should Review the Decisions Below Because the Decision of the District Court Has so Far Departed from the Accepted and Usual Course of Judicial Proceedings and the Decision of the Court of Appeals Has so Far Sanctioned such a Departure as to Call for an Exercise of This Court's Power of Supervision—Kramer Has Been Deprived of his Constitutional Rights to Due Process of Law 28

IV. The Court Should Review the Decisions Below Because These Decisions Will Have a Sweeping Impact on the Patent System Far Beyond Adjudicating the Rights of the Parties to this Action 31

V. The Court Should Exercise its Power of Judicial Supervision to Resolve a Clear Conflict Among the Recent Decisions of the Court of Appeals for the Second Circuit as to the Standard to be Applied in Ascertaining Whether a Case is so Exceptional as to Justify an Award of Attorney Fees Pursuant to Title 35 U.S.C. § 285, a Question of Federal Law Which Has Not Been, but Should be Settled by This Court. The Decision of the Court of Appeals in this Case is Also in Conflict with the Position of the Court of Appeals for the Tenth Circuit ... 34

Conclusion 36

INDEX TO APPENDIX

PAGE

APPENDIX A—Opinion and Order of District Court, Filed December 20, 1973 ..... 1a

APPENDIX B—Report and Recommendation of Magistrate, Dated June 10, 1974 ..... 6a

APPENDIX C—Memorandum Opinion of District Court Dated June 19, 1974 ..... 12a

APPENDIX D—Judgment of District Court Filed Augus 1, 1974 ..... 14a

APPENDIX E—Notice of Appeal Filed August 16, 1974 16a

APPENDIX F—Judgment Order of Court of Appeals Dated March 20, 1975 ..... 18a

APPENDIX G—Supplement Opinion of Court of Appeals Filed April 23, 1975 ..... 20a

APPENDIX H—Order of Court of Appeals Denying Supplemental Petition for Rehearing 23a

APPENDIX I—Order of Court of Appeals Denying Petition for Rehearing *En Banc* 24a

APPENDIX J—Amendment to Answer and Counterclaim by G & A 25a

APPENDIX K—Excerpts from Transcript of Trial Testimony 28a

APPENDIX L—Constitutional Provisions, Statutes and Rules Involved 39a

APPENDIX M—Specification and Claims of the Application for the Patent in Suit 43a

SUPPLEMENTAL APPENDIX

PAGE

Appendix N—Oath Submitted by Kramer to the Patent Office with the Application for the Patent in Suit 1SA

Appendix O—Trial Exhibit K, Prime Drawing Prepared by Gonsalves 3SA

Appendix P—Soft Copy of the Patent in Suit 4SA

Appendix Q—Print of Drawing as Originally Filed 8SA

TABLE OF AUTHORITIES

Cases:

Agawan Co. v. *Jordan*, 74 U.S. 583 (1869) 3, 12, 17, 18, 19, 20, 33, 36

Baldwin-Lima-Hamilton Corp. v. *Tatnall Meas. Sys. Co.*, 169 F.Supp. 1 (E.D. Pa. 1958), *aff'd*, 268 F.2d 395 (3d Cir. 1959), *cert. denied*, 361 U.S. 894 (1959) 29

Barr Rubber Products Company v. *Sun Rubber Company*, 425 F.2d 1114 (2d Cir. 1970), *cert denied*, 400 U.S. 878 (1970) 22, 29

Bussemer v. *Artwire Creations, Inc.*, 231 F.Supp. 798 (S.D.N.Y. 1964) 35

Congoleum Industries, Inc. v. *Armstrong Cork Co.*, 339 F.Supp. 1036 (E.D. Pa. 1972) 29

Delamere Co., Inc. v. *Taylor-Bell Co., Inc.*, 249 F. Supp. 471 (S.D.N.Y. 1966) 22, 35

Formal Fashions, Inc. v. *Braiman Bows, Inc.*, 254 F. Supp. 389 (S.D.N.Y. 1966), *aff'd*, 369 F.2d 536 (2d Cir. 1966) 35

PAGE

Frederick Iron N *Steel Co.* v. *Sanford Riley Stoker*..... *Co.*, 287 F. 495 (4th Cir. 1923) 20

Indiana General Corp. v. *Krystinel Corp.*, 421 F.2d 1023 (2d Cir. 1970), *cert. denied*, 398 U.S. 928 (1970) 34, 35

Indiana General Corp. v. *Krystinel Corp.*, 297 F. Supp. 427 (S.D.N.Y. 1969), *aff'd*, 421 F.2d 1023 (2d Cir.), *cert. denied*, 398 U.S. 928 (1970) 34

Kahn v. *Dynamics Corp. of America*, 508 F.2d 939 (2d Cir. 1975) 34

Kaplan v. *Helenhart Novelty Corp.*, 182 F.2d 311 (2d Cir. 1950) 22

Klein v. *American Casting & Mfg. Corp.*, 87 F.2d 291 (2d Cir. 1937) 18

Minerals Separation, Ltd. v. *Hyde*, 242 U.S. 261 (1916) 3, 12, 18, 19, 20, 33, 36

Mueller Brass Co. v. *Reading Industries, Inc.*, 352 F.Supp. 1357 (E.D. Pa. 1972), *aff'd*, 487 F.2d 1395 (3rd Cir. 1973) 21

P & D Sales & Mfg. Co. v. *Winter*, 334 F.2d 830 (7th Cir. 1964) 22

Pointer v. *Six Wheel Corp.*, 177 F.2d 153 (9th Cir. 1949), *cert denied*, 339 U.S. 911 (1950) 18

Q-Panel Co. v. *Newfield*, 482 F.2d 210 (10th Cir. 1973)

Constitution of the United States:

Amendment V 4, 5, 13, 27

Amendment VI 4, 5, 13, 27

PAGE

Statutes:

18 U.S.C. § 1621 .....5, 13, 25, 26, 27, 28
28 U.S.C. § 1254 2
28 U.S.C. § 1338 6
35 U.S.C. § 101 .....5, 14, 27
35 U.S.C. § 115 .....2, 5, 9, 12, 14, 27, 33
35 U.S.C. § 116 ..... 5, 33
35 U.S.C. § 256 ..... 5, 33
35 U.S.C. § 285 ...2, 3, 5, 6, 12, 13, 14, 15, 25, 26, 27, 34

Rules:

Rule 9(b), F.R. Civ. Proc., 28 U.S.C. 4, 5, 6, 30
Rule 52(a), F.R. Civ. Proc., 28 U.S.C. 5, 30
Rule 52(b), F.R. Civ. Proc., 28 U.S.C. 5, 6

Other Authorities:

Deller's Walker on Patents, (Second Edition) Vol. 1, 1964 .....16, 17, 18, 31
Invention and the Law, Harry Aubrey Toulmin, Jr., Prentice Hall, 1936 32
Patenting The Invention, V. Alexander Scher, Mathew Bender & Co., 1948 31
Patent Law For Chemists, Engineers and Executives, Fred H. Rhodes, McGraw Hill, 1931 32
Walker on Patents (Deller's Edition), Baker, Voorhis and Company, 1937 31

IN THE

Supreme Court of the United States

OCTOBER TERM, 1975

HYMAN KRAMER, doing business as
HY KRAMER ENTERPRISES,

Petitioner,

v.

DURALITE COMPANY, INC., and
G & A MACHINE WORKS, INC.,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Petitioner, the plaintiff below, prays that the the Court issue a writ of certiorari to review the judgment, opinions and supplemental opinion of the United States Court of Appeals for the Second Circuit entered, respectively, on March 20, 1975, and on April 23, 1975.

Opinions Below

The opinion of the United States District Court for the Southern District of New York, dated December 20, 1973 (Appendix A to this Petition), is reported at —— F. Supp. ——, 181 U.S.P.Q. 326. The supplemental opinion of the United States Court of Appeals for the Second Circuit, dated April 23, 1975 (Appendix G), is reported at —— F. 2d ——, 185 U.S.P.Q. 641. Neither the report and recommendation of the Magistrate, dated June 10,

1974 (Appendix B), nor the opinion of the United States District Court for the Southern District of New York, dated July 19, 1974 (Appendix C) are, as yet, reported.

Jurisdiction

The judgment of the Court of Appeals for the Second Circuit was dated and entered on March 20, 1975. Petitioner's timely petition for rehearing *en banc* was denied on May 21, 1975, and this petition for certiorari was filed within 90 days of that date. Petitioner invokes the jurisdiction of this Court under 28 U.S.C. § 1254(1).

Questions Presented

I. Where a patentee conceived every novel improved feature of a patented device described and claimed in his application for patent, although not necessarily in the express terms of the ultimate patent claims, and employed another to exercise his routine design skills to reduce the improved device to drawing form and, ultimately, to physical form under the patentee's direction, is the patentee guilty of fraud on the Patent Office when he subscribes an oath and submits it to the Patent Office with his patent application, as required by 35 U.S.C. § 115, swearing, *inter alia,* that ". . . I verily believe that I am the original, first and sole inventor of the invention or discovery in . . . [the improved device] described and claimed therein"?

II. If, as apparently found by the Court of Appeals, this case was held to be exceptional and to justify an award of attorney fees pursuant to 35 U.S.C. § 285 solely because the courts below concluded that the patentee committed fraud on the Patent Office when he subscribed and filed with the Patent Office an oath swearing, *inter alia,* that he believed himself to be the sole inventor of the device described and claimed in his application for the patent

in suit, was it error and a denial of due process for the Court of Appeals to exclude from its consideration of this case on appeal as "not the real issue" the probable application of this Court's controlling decisions in *Agawam Co.* v. *Jordan*, 74 U.S. 583 (1869), and *Minerals Separation Ltd.* v. *Hyde*, 242 U.S. 261 (1916), to the only pertinent findings of fact expressed on the face of the District Court's opinion and, for that matter, to the incontestibly credible testimony of the infringers' own witnesses?

III. Should this Court breathe new life into its venerable doctrine that, as between one who conceives an invention and one who merely applies his ordinary skills in the applicable art, under the direction and subject to the approval of the conceiver, to reduce the invention to practice, the one who conceives the invention is the sole inventor thereof, a doctrine last considered and reiterated by this Court almost sixty years ago in *Mineral Separation, Ltd.* v. *Hyde*, 242 U.S. 261a(1916), a doctrine now apparently freely ignored by the Court of Appeals for the Second Circuit?

IV. Since the Patent Laws, Title 35 U.S.C., are silent as to perjury at trial of a civil action for infringement of a patent and since the Crimes Laws, Title 18 U.S.C., specifically include such conduct within the definition of the crime of perjury and fix and limit the punishment for this crime, should the application of the sanctions permitted by 35 U.S.C. § 285 be limited to actions in which fraud on the Patent Office or some other violation of the express provisions of the Patent Laws is properly found to the exclusion of a finding of perjury during trial?

V. Where, in a civil action, charges of behavior fairly embracing conduct amounting to a crime under the Crimes Laws, Title 18 U.S.C., if established, is made by way of affirmative defense and counterclaim against the plaintiff or where such behavior is expressly found by the trial

court, and where the applicable Federal statutes provide for the award of relief punitive in effect, if the charges are established, is the plaintiff entitled to the same or equivalent benefit of due process and burden of proof as would have applied had the same charges been the subject of a criminal action against him?

VI. Is the issue raised by Question V particularly appropriate for review by this Court where the charge of criminal behavior is also behavior especially required to be pleaded with particularity pursuant to Rule 9(b), F.R. Civ. Proc?

VII. Based upon all of the proceedings had herein as set forth in the Statement of the Case, *infra*, has Kramer been denied due process of law as guaranteed by the Fifth and Sixth Amendments to the Constitution of the United States?

VIII. Where the veracity of a patentee's customary oath of inventorship made and filed with the Patent Office with his application for the patent in suit is in issue on appeal, was it error for the Court of Appeals to find, after plenary briefing, argument and decision of the appeal and after the filing of the patentee's timely petition for a rehearing *en banc*, that:

1. The patentee's possible co-inventorship is not the real issue;
2. The patentee had testified at trial that he single-handedly developed the angles that were critical to the success of the device;
3. Two witnesses testified that the patentee made no contribution to the choice of angles;
4. The trial judge concluded that the patentee was not telling the truth;

5. From this the trial court was justified in finding that the patentee had defrauded the Patent Office when he claimed to be the sole inventor; and

6. Clearly, such fraud renders the case exceptional within the meaning of 35 U.S.C. § 285;

notwithstanding that the opinion of the trial court made no mention of angles, where the record shows that the patent application to which the patentee's oath, when filed, was appended specified only one angle (the leg support angle) in numerical terms, and where the same two trial witnesses alluded to by the Court of Appeals both testified that the patentee had instructed them that the critical leg support angle had to be maintained?

Constitutional Provisions, Statutes and Rules Involved

The questions presented by this petition require interpretation of the Constitution of the United States, Amendments V and VI, the Crimes Laws, Title 18 U.S.C. § 1621, the Patent Laws, Title 35 U.S.C. §§ 101, 115, 116, 256 and 285 and the Federal Rules of Civil Procedure, Title 28 U.S.C., Rules 9(b) and 52, all of which are set forth at length in Appendix L to this petition.

Statement of the Case

The Proceedings Below:

The case presented by this petition was originally brought, as two separate civil actions for patent infringement, in the United States District Court for the Southern District of New York by the petitioner, Hyman Kramer ("Kramer" hereinafter), against the respective respondents, Duralite Company Inc. ("Duralite" hereinafter), and G & A Machine Works, Inc. ("G & A" hereinafter), pursuant to the Patent Laws of the United States, Title 35 U.S.C., for infringement of United States Letters

Patent No. 3,310,268 ("the patent in suit" hereinafter) isued March 21, 1967, in the name of Kramer as sole inventor (Appendix P). Jurisdiction was conferred upon the District Court by Title 28 U.S.C. § 1338(a). G & A counterclaimed for damages alleging, without the particularity required by Rule 9(b) F.R. Civ. Proc., 28 U.S.C., fraud on the Patent Office by Kramer (Appendix J). Both G & A and Duralite admitted infringement of the patent in suit. The two actions were consolidated for trial.

After trial, the District Court entered an opinion and order (Appendix A) holding the patent in suit to be invalid and unenforceable for *inter alia*, "absence of invention" (App. 3a) and that Kramer "was not the creator of the design or device and lied when he said he was" (App. 4a), denying G & A's counterclaim (App. 4a) and finding the case such an exceptional one as to warrant the award of attorney fees to G & A under 35 U.S.C. § 285 (App. 4a-5a).

In the belief (derived from study of the aforementioned District Court opinion and order (Appendix A) that the District Court had misapprehended the law of inventorship, Kramer filed with the District Court a motion pursuant to Rule 52(b), F.R. Civ. Proc., 28 U.S.C., fully briefing the inventorship issue in much the same form and content as this issue is argued hereinafter under Reasons for Granting the Writ. The District Court summarily denied this motion in all respects the day after it was filed.

Thereafter, upon order of the District Court (App. 5a), a hearing was held before a Magistrate to determine the amount of the attorney fee award. The Magistrate's report and recommendation (Appendix B), which recommended an award of $16,970.00, was confirmed in all respects by the District Court in a memorandum opinion (Appendix C). The judgment (Appendix D) of the District Court was entered accordingly.

On appeal to the United States Court of Appeals for the Second Circuit, Kramer did not appeal the conclusion of the District Court that the patent in suit was invalid for "absence of invention". Kramer's appeal was limited to so much of the District Court's decision as found him guilty of fraud on the Patent Office by claiming to believe himself to be the sole inventor of the subject matter of the patent in suit and as awarded attorney fees on this basis (Appendix E).

After the submission of briefs and oral argument of the appeal, the Court of Appeals issued a judgment order (Appendix F) affirming the District Court's judgment on the basis of the District Court's two opinions (Appendices A and C). Kramer filed a timely petition for rehearing *en banc*. Thereafter, the Court of Appeals filed a supplemental opinion (Appendix G) in response to which Kramer sought and was granted leave to file a supplemental petition for rehearing. By orders dated May 15, 1975 (Appendix H), and May 21, 1975 (Appendix I), the Court of Appeals denied, respectively, Kramer's supplemental petition for rehearing and petition for rehearing *en banc*.

The Parties and the Witnesses:

At the time of the "invention"[1] or innovation which is the subject matter of the patent in suit, Kramer was in the business of manufacturing and selling metal stampings, especially those designed to function as components of tubular folding furniture such as lawn chairs, cots and the like. G & A was a competitor of Kramer in this line of business, and Duralite was a customer of G & A.

---

[1] The District Court has held that the innovation covered by the patent claims in suit was obvious at the time it was made and, therefore, was not patentable invention. Although Kramer does not dispute that holding on this petition, the expressions, "invention" and "inventor" will be used herein to facilitate argument of the issues raised by the lower courts' decisions to which this petition is directed.

Kramer's personal sphere of activity at that time was to sell the metal stamping products to various customers and to specify in detail the type, design and construction of the products to be manufactured for sale. The actual manufacture of Kramer's products, while directed by Kramer to a large extent, was performed by an independent company, Erie Packaging Corp. ("Erie" hereinafter) which utilized stamping machinery owned by Kramer for that purpose. Two of the principals of Erie were George Gonsalves ("Gonsalves" hereinafter) and Felice Dosso ("Dosso" hereinafter). In addition to manufacturing products for Kramer, Gonsalves functioned as Kramer's die designer. That is, he designed, pursuant to Kramer's orders, the various dies and fixtures which were mounted in Kramer's conventional stamping presses to produce the specific products manufactured. For all practical purposes, Gonsalves functioned much like a part-time employee of Kramer.

The Patent in Suit:

Having conceived the essential features of an improved and cheaper hinge bracket for a folding cot, Kramer approached Gonsalves for the purpose of having Gonsalves complete the detailed design of the bracket and the die for producing it.

According to Gonsalves' testimony, on this occasion, Kramer gave Gonsalves detailed instructions as to the specific design features of the improved bracket. Moreover, on this occasion, Kramer and Gonsalves sat down together, as was their custom (App. 30a), to discuss how Kramer's objectives might be achieved (App. 30a). Kramer approved (App. 29a) the completed preliminary hinge bracket blank design as depicted in trial exhibit K prime (Appendix O).

Thereafter, Kramer disclosed the improved hinge bracket to his patent solicitor, J. Harold Kilcoyne, who drafted

the specification and claims for the patent in suit (Appendix M). As part of the relevant patent application, Kramer subscribed and swore to the customary oath (Appendix N) prescribed by the Patent Laws, 35 U.S.C. § 115, stating, *inter alia,* that:

> "I verily believe that I am the original, first and sole inventor of the invention or discovery in HINGE BRACKETS described and claimed therein."

Kramer instructed Gonsalves to imprint "patent pending" on the improved hinge brackets which Gonsalves produced and Kramer sold (App. 28a). In accordance with Kramer's instructions, Gonsalves continued to so imprint the improved hinge brackets in such a manner until the patent in suit issued. Thereafter, the number of the patent in suit was imprinted on the improved hinge brackets.

The District Court's Pertinent Findings of Fact:

The District Court's opinion and order (Appendix A) contains scant findings of fact which are pertinent to the question of who was the inventor or innovator of the patented improved hinge bracket. However, the District Court did find "nesting" to be the crux of the patented invention (App. 3a).

> "The alleged invention improves on the prior art by 'nesting' the brackets and thus minimizing the amount of scrap involved in the sheet metal stamping process."

Indeed, the Trial Court held the patent to be invalid and unenforceable for lack of invention solely because it found that "nesting" was old in the sheet metal art (App. 3a).

> "Here it is well known that 'nesting' to save scrap in a sheet metal stamping process is an old art and thus cannot be considered an 'invention' to be covered by patent protection. On this basis alone I would hold the patent in question invalid and unenforceable."

But the District Court also found that Kramer alone conceived this same crucial concept of "nesting" the patented hinge bracket blanks and directed his tool designer, Gonsalves, to design a practical embodiment of this concept (App. 4a).

> "Other testimony revealed that apparently the plaintiff [Kramer] approached George Gonsalves of Erie Packaging Corp. and his fellow-principal Felice Dosso (both of whom testified) with a sample of a leg hinge bracket of the prior art and requested Gonsalves to design a 'nesting' pattern of blanks to be made of a lighter gauge material with reinforcing ribs contained therein."

Pertinent Trial Testimony:

Uncontroverted pertinent testimony was adduced at trial which reinforces and expands the District Court's scant findings of fact with respect to Kramer's role in the conception as well as the reduction to practice of the improved hinge bracket. Since the District Court has flatly stated that Kramer's testimony reiterating his claim that he was the sole inventor of the improved hinge bracket in much the same words as the oath he subscribed to in his application for the patent in suit was totally incredible (App. 4a) and has, thereby, cast a shadow over the credibility of all testimony by Kramer at trial, Kramer will necessarily rely entirely on the testimony of G & A's own witnesses' testimony which the District Court must necessarily have believed, to detail the facts pertinent to this petition.

Turning, then, to the trial testimony of Gonsalves and Dosso, it is clear that Kramer, having conceived the essential features of the improved hinge bracket, employed Gonsalves to assist him in its reduction to practice (App. 29a-30a). Kramer's instructions to Gonsalves with re-

spect to this objective included:

1. direction to save material by "making the bracket out of the least amount of material" and to use "a thinner gauge" (App. 30a, 33a);

2. direction to preserve the critical function of the bracket by maintaining the correct support angle for the leg portions of the bracket (App. 31a, 38a);

3. direction to "interlock" [nest] the blanks so "that it should not have any scrap" (App. 31a);

4. direction as to number and location of mounting holes (App. 31a-32a);

5. direction as to size of holes (App. 32a);

6. direction to provide the locking depressions in the bracket (App. 28a, 32a-33a);

7. suggestion that the product be altered to make it more possible to nest it (App. 33a);

8. a request for reinforcing ribs (App. 33a);

9. a request that a saddle be provided in the improved product (App. 33a); and

10. "much more" (App. 31a).

Moreover, Gonsalves testified as to Kramer's participation in these routine design efforts:

1. that "we might have sat down together and said, 'Let's see how we could do it'" (App. 30a);

2. that it was customary to have such discussions (App. 30a); and

3. that he specifically recalled there being such a discussion in this instance (App. 30a).

Gonsalves also testified that his resultant drawing (Appendix O) was shown to Kramer "for his approval as to the design of the part" (App. 29a).

Summary of Argument

In the ensuing "Reasons for Granting the Writ", petitioner will argue the importance and effect of the "Questions Presented", *supra,* as well as the error of the Court of Appeals, as stated in its supplemental opinion (Appendix G) with reference to the applicable constitutional, statutory and case law, the express findings of fact and conclusions of law of the District Court and the uncontroverted testimony of the infringers' own witnesses in the record. Since the Court of Appeals, by judgment order dated March 20, 1975 (Appendix F), has adopted the opinions of the District Court as its own (App. 19a), the error contained in those opinions will also be argued.

The Court of Appeals has grounded its affirmance of the District Court's award of attorney fees herein pursuant to 35 U.S.C. § 285 on a ruling that the District Court was justified in finding that Kramer had defrauded the Patent Office (App. 21a) and has thereby presumedly grounded the District Court's decision on the same finding. The fraud found is, apparently, that Kramer lied to the Patent Office when he submitted his conventional oath as required by 35 U.S.C. § 115 that he believed himself to be the sole inventor of the subject matter described and claimed in the application for the patent in suit (App. 4a, 21a).

On appeal, Kramer argued that *truth* of the inventorship allegation in the oath would be a complete defense to the fraud finding and that the truth of these inventorship allegations was fully supported by the controlling decisions of this Court in *Agawam Co.* v. *Jordan,* 74 U.S. 583 (1869), and *Minerals Separation, Ltd.* v. *Hyde,* 242 U.S. 261 (1916), as applied to the pertinent express findings of fact on the face of the District Court's opinion and to the uncontroverted testimony of G & A's own witnesses. This issue is again presented by this petition.

The Court of Appeals, however, stated that the truth of the inventorship allegations in the oath was "not the real issue" and concluded that perjury by Kramer at trial had indirectly justified the fraud conclusion and the attorney fee award. The trial court's opinion on this point is ambiguous. Accordingly, it seems that perjury at trial may have formed the sole or a conjoint basis for the award of attorney fees herein.

Kramer argues that perjury at trial is an offense against the Federal judicial system rather than against the Patent Laws, and is, therefore punishable, if at all, under 18 U.S.C. § 1621 rather than under 35 U.S.C. § 285.

Kramer also respectfully submits that, due to the either criminal (pursuant to 18 U.S.C. § 1621) or quasi-criminal (pursuant to 35 U.S.C. § 285) nature of the offense for which he has been punished and the conduct of his "charge", "conviction" and "punishment" for this offense, he has been deprived of his guarantees of due process of law under the Fifth and Sixth Amendments to the Constitution of the United States.

Also pertinent to this petition is the importance and widespread occurrence of inventorship issues with respect to patents.

The recent decisions of the Court of Appeals for the Second Circuit as to the standards for attorney fee awards in cases raising issues as to the veracity of oaths submitted to the Patent Office are in conflict with each other, and the decision on that point in this case is in conflict with a recent decision of the Court of Appeals for the Tenth Circuit.

Reasons for Granting the Writ

I. The Court Should Review the Decisions Below Because Those Decisions are in Conflict with the Prior Decisions of This Court on a Federal Question—Inventorship under 35 U.S.C. § 101 as Related to the Oath of the Patent Applicant under 35 U.S.C. § 115 and the Imposition of Sanctions Under 35 U.S.C. § 285. In Part, this Federal Question is One which has Not Been Considered by the Court for More than Half a Century and, in Part, it is an Important Question of Federal Law which has Not Been, but Should Be, Settled by the Court.

The Central Issue Remaining in this Case is the Truth or Untruth of Kramer's Oath of Inventorship

The central issue remaining in this case, once lack of invention for obviousness was disposed of, is whether Kramer committed fraud on the Patent Office when he filed his application for the patent in suit and, as required by 35 U.S.C. § 115, subscribed and submitted therewith the customary oath swearing, *inter alia,* that:

> "I verily believe that I am the original, first and sole inventor of the invention or discovery in HINGE BRACKETS described and claimed therein." (Appendix N)

The opinion of the District Court (Appendix A), adopted by the Court of Appeals as its own (Appendix F), as well as the supplemental opinion of the Court of Appeals (Appendix G), both fairly support this definition of the central issue here involved. The District Court found that

> "In his direct testimony Kramer reiterated the claim that he was the sole inventor of the leg hinge bracket

> in much the same words as the oath he subscribed to in his application for the patent. I find that this testimony of the plaintiff was totally incredible and wholly false." (App. 4a)

and the Court of Appeals similarly found that:

> "There was no dispute that G & A had infringed the patent; the chief issues before Judge Duffy were G & A's claims that the invention was obvious and that Kramer had defrauded the Patent Office.
>
> • • •
>
> ". . . the court was justified in finding that Kramer had defrauded the Patent Office when he claimed to be the sole inventor.
>
> Clearly such fraud renders this case exceptional within the meaning of 35 U.S.C. § 285" (quotation and citations omitted) (App. 21a).

Indeed, fraud on the Patent Office is the only conclusion stated in either opinion which, if correctly found, could fairly support the conclusion that the case was "exceptional" and the resultant award of attorney fees. (See pp. 25-27, *infra*).

What, then, is the nature of the fraud which Kramer has been found to have committed on the Patent Office? While G & A's answer and counterclaim (Appendix J., App. 25a-26a) charged him (misleadingly) with having concealed from the Patent Office the most applicable prior art known to him, both courts below have concluded that his oath of inventorship (Exhibit N) was fraudulent in that he swore that he, rather than Gonsalves, was the sole inventor of the improved novel hinge bracket described and claimed in the patent application.

The Oath of Inventorship is Directed to the Substance of the Patent Application.

In assessing the veracity of a patentee's oath of inventorship, it is important to bear in mind the usual relation-

ship between an inventor and his patent solicitor and the respective functions of each. In order to make a complete disclosure of the invention to the patent solicitor, the inventor need only describe or portray all of the essential physical features of the novel device to the solicitor. This may be done by way of written description, drawings or sketches, a model or sample of the device itself or a combination of the foregoing. Thereafter, it is the patent solicitor's function to depict, describe and claim the device in the patent application in such terms as will adequately teach the public the nature and function of the device and will patentably distinguish it from the prior art.

Thus, a patent applicant need not make oath that he personally, drafted the drawings, specification and claims which form his patent application or that he selected the particular language and limitations ultimately utilized to describe and claim his invention in the patent. This is his patent solicitor's function. It is sufficient that the inventor swear that he believes that the specification and claims accurately *describe, limit and pertain to the physical device which he has invented* whether his invention was born in those or other terms and form. Kramer's failure, if such be the case, to have *numerically specified* the angles prior to Gonsalves' reduction of the invention to drawing form detracts nothing from whatever Kramer's inventive activity may be shown, *by Gonsalves' own testimony,* to have been. If, as is the case, the issue is fraud on the Patent Office, whether or not Kramer instructed Gonsalves or his patent solicitor *in numerical terms* as to the specific angles to be employed is immaterial.

The Inventor Is The One Who Conceives The Invention

Patentable invention begins with conception of the invention. The inventor mentally conceives a new and useful objective or improvement and, generally, the means of achieving the objective. *Deller's Walker on Patents (Second Edition)*, Vol. I, 1964, at pp. 177, 191. Concep-

tion is complete "when the inventive idea is crystalized in all of its essential attributes and becomes so clearly defined in the mind of the inventor as to be capable of being converted to reality and reduced to practice by the inventor *or by one skilled in the art*" (emphasis supplied). *Deller's, supra,* at p. 192. At the moment of conception, the invention is full blown as it were.

Thereafter, unless the invention is abandoned by the inventor (conceiver), it is "reduced to practice" either *actually* by the making of an operable device or *constructively* by the filing of a patent application. *Deller's, supra,* at pp. 201-202, 210. The reduction to practice, which completes the invention, may be accomplished by the inventor himself *or by his agent. Deller's, supra,* at p. 203.

> "To constitute a man an inventor, it is not necessary for him to have skill enough to embody his invention in a working machine, or in a model, or even in a drawing. If a man furnishes all the ideas needed to produce the invention aimed at, he may avail himself of the mechanical skill of others, to practically embody or represent his contrivance, and still be the sole inventor thereof." *Deller's, supra,* at p. 187.

Nor will the suggestions or improvements of the inventor's agent in the reduction to practice defeat sole inventorship by the conceiver. In its classic statement of law on this subject, *Agawam Co.* v. *Jordan,* 74 U.S. 583, 602 (1869), this Court stated that:

> ". . . where a person has discovered an improved principle in a machine, manufacture, or composition of matter, and employs other persons to assist him in carrying out that principle, and they, in the course of experiments arising from that employment, make valuable discoveries ancillary to the plan and preconceived design of the employer, such suggested improvements are in general to be regarded as the prop-

> erty of the party who discovered the original improved principle, and may be embodied, in his patent as a part of his invention."

In a more recent case, *Minerals Separation Ltd.* v. *Hyde*, 242 U.S. 261, 270 (1916), this Court reasserted the *Agawam* doctrine against a somewhat different factual situation.

> "The claim that the patentees of the patent in suit are not the original discoverers of the process patented because an employee of theirs happened to make the analyses and observations which resulted immediately in the discovery, cannot be allowed. The record shows very clearly that the patentees planned the experiments in progress when the discovery was made; that they directed the investigations day by day, and that they interpreted the results. *Agawam Company* v. *Jordan*, 7 Wall. 583-603, rules this claim against the defendant."

Kramer Was The Sole Inventor Of The Claimed Subject Matter

The fact that the patent in suit was issued in Kramer's name as sole inventor "is, in itself, prima facie proof of that fact. And the burden is upon him who makes an assertion contrary to the presumption to prove it" (*Pointer* v. *Six Wheel Corp.*, 177 F.2d 153, 157 (9th Cir. 1949), *cert. denied*, 339 U.S. 911 (1950)). The same decision (*Ibid.*) establishes the standard of proof required to establish joint inventorship in the face of a sole inventor patent. The standard of proof required is "clear and convincing proof" (*Id.* at 157, *Deller's, supra*, at p. 182). The Court of Appeals for the Second Circuit has viewed the defense of lack of invention by the named inventor to be a technical one to be "regarded with disfavor" by the court. *Klein* v. *American Casting & Mfg. Corp.*, 87 F.2d 291, 294 (2d Cir. 1937).

Although the trial testimony herein reveals some controversy between the witnesses (Kramer, Gonsalves and Dosso) as to the details of events which happened many years earlier, the main thrust of the testimony as to the facts surrounding the inventive process is clear. *Kramer*, even according to Gonsalves, conceived the new and useful *objective* of making a far cheaper hinge bracket for folding cots. The means for achieving this objective was conceived by *Kramer* to be savings in steel and plating costs. To this end, *Kramer* also conceived that the hinge bracket blanks should be "nested" in the full width of the steel strip from which they are stamped and that a lighter gauge of material could be used if reinforcing ribs were provided in the product (App. 4a, 30a, 31a, 33a).

As indicated in the Statement of the Case (at p. 9, *supra*), the District Court, in its opinion, herein (App. 3a), characterized the "alleged invention" herein to be "nesting" of the bracket blanks, that is, matching (to a great extent) the top and bottom edges of successive blanks in the stamping strip. Having done so, the District Court (App. 4a) found specifically that Kramer requested that Gonsalves *"nest"* the blanks as well as provide for reinforcing ribs, and a lighter gauge material. Thus, *based on the District Court's own findings*, as stated in its opinion, *Kramer alone conceived what the Court regards as the "alleged invention"*. The District Court's opinion and order, insofar as it concluded that (App. 4a):

> ". . . the design was invented by Gonsalves, not the plaintiff"

and awarded attorney fees to G & A on this basis is, therefore, clearly erroneous on its face.

The District Court clearly acted contrary to the established law of inventorship as is exemplified by this Court's landmark decisions in *Agawam Co.* v. *Jordan, supra*, and *Minerals Separation, Ltd.*, v. *Hyde, supra*. Further, for an

employed designer's contribution to the practical embodiment to rise to the level of "co-inventorship", it is necessary that the designer's contribution, itself, have risen to the level of invention (*Agawam, supra,* at 602-603). By the District Court's own decision (App. 3a), no such contribution was made here.

As further indicated in the Statement of the Case (at p. 11, *supra*), Gonsalves' testimony with respect to his employment by Kramer as his agent to assist in the reduction to practice of Kramer's conception, clearly indicates that Kramer instructed him with respect to every essential feature of the improved hinge bracket. Having been thus completely instructed as to Kramer's conception, Gonsalves was faced only with a routine design layout of the blank and strip and the resultant design of the die to make the bracket. As Gonsalves realized *from Kramer's* instructions, "the location of the hinging holes as compared to the saddle has to remain" (App. 34a), the "bottom of the blank has to match the top of the blank" (App. 34a), and as a logical result that, "the bottom end is the only part that could be changed to any degree" (App. 34a). Such routine design considerations can hardly be equated to invention over Kramer's detailed instructions. No calculations were necessary for Gonsalves' preliminary layout (App. 34a-35a). Gonsalves' testimony with respect to his and Kramer's participation in the reduction to practice of the invention is on all fours with the views of this Court as expressed in *Agawam, supra,* and *Minerals, supra.*

Moreover, the presumption that Kramer was the sole inventor is enhanced by Gonsalves' inaction in the face of his knowledge of Kramer's claim to sole inventorship in his patent application. *Frederick Iron & Steel Co.* v. *Sanford Riley Stoker Co.*, 287 F. 495, 499 (4th Cir. 1923). Gonsalves has testified that, had he known about the Patent Laws at the time that he was manufacturing brackets with "patent pending" on them, he would have taken some ac-

tion with respect to Kramer's application (App. 35a). But he also testified that he had retained a patent attorney and knew something about the Patent Laws at that very time (App. 37a).

From the foregoing, the conclusion is inescapable that Kramer subscribed an honest oath and submitted it to the Patent Office when he swore that he believed that he was the sole inventor of the improved hinge bracket described and claimed in his application for the patent in suit.

1. This conclusion is fully supported by the meagre findings of fact set forth on the face of the District Court's opinion and order.
2. This conclusion is fully supported by the testimony of G & A's own witnesses, Gonsalves & Dosso, whom the District Court must necessarily have believed.
3. This conclusion, therefore, raises no issues of material fact or credibility issues.
4. This conclusion is fully supported by this Court's controlling decisional law.

In View of the Complexity of Inventorship Issues in Patent Cases, the District Court's Conclusion that Kramer Knowingly Lied When he Claimed to be the Sole Inventor is Unwarranted

This Court should not be misled by the District Court's inexperienced statement that "this case presents a once-in-a-lifetime situation wherein the defendant not only argues that, if there is an invention, someone other than the patent owner invented it." Inventorship is, after all, one of the most difficult and common questions encountered in the patent law. See, for example, the recent decision in *Mueller Brass Co.* v. *Reading Industries, Inc.*, 352 F. Supp. 1357, 1372 (E.D. Pa. 1972), *aff'd*, 487 F. 2d 1395 (3rd Cir.

1973):

> "The exact parameters of what constitutes joint inventorship are quite difficult to define. It is one of the muddiest concepts in the muddy metaphysics of the patent law." (See also the treatise passages cited and quoted at pp. 31-32, *infra*).

In view of the aforestated fact testimony by Gonsalves, it was unreasonable and contrary to the evidence for the District Court to conclude that Kramer "lied" or knowingly and falsely testified when he claimed to be the sole inventor or creator of the patented hinge bracket blank. As has been shown on Gonsalves' testimony alone, Kramer is the sole inventor of what the District Court characterized as the "alleged invention" herein. And, even if the District Court rejected Kramer's claim to sole inventorship, it could not reasonably fail to recognize that Kramer was, at the very least, a joint inventor in an important way. (See *P & D Sales Mfg. Co.* v. *Winter*, 334 F. 2d 830, 836 (7th Cir. 1964)). *Without Kramer, the hinge bracket blank design would never have come into being at all.* Kramer's claim to sole inventorship is a legal conclusion based upon diverse facts rather than a statement of a discrete objective fact. A statement by an affiant of what amounts to no more than an erroneous conclusion of law will not sustain a charge of perjury or fraud. *Barr Rubber Products Company* v. *Sun Rubber Company*, 425 F.2d 1114, 1125 (2d Cir. 1970), *cert. denied*, 400 U.S. 878 (1970).

Moreover, Kramer, like any other patentee, is entitled to a reasonable belief in the validity of his own patent. *Kaplan* v. *Helenhart Novelty Corp.*, 182 F.2d 311, 314 (2d Cir. 1950). This is true with respect to the often confused issue of sole or joint inventorship as well as with respect to obviousness. *Delamere Co., Inc.* v. *Taylor-Bell Co., Inc.*, 249 F. Supp. 471 (S.D.N.Y. 1966). Kramer's claim of sole inventorship is not so wholly devoid of substance as to justify an award of attorney fees to G & A.

The Statement by the Court of Appeals that Kramer's Actual Contribution as a Sole or Joint Inventor "Is not the Real Issue" is a Non-sequitur in View of that Court's Acknowledgment that the Remaining Issue in this Case Hangs on the Truth or Falsity of Kramer's Oath of Inventorship

The Court of Appeals is guilty of an obvious *non-sequitur* in logic by finding, on the one hand, that the ultimate issue confronting it and the District Court was whether Kramer defrauded the Patent Office by knowingly falsely swearing that he was the "inventor" of the subject matter of the pertinent patent application and, on the other hand, concluding that Kramer's possible inventorship or coinventorship "is not the real issue" (App. 21a). It is respectfully submitted that, by any reasonable definition, a charge of fraud is defeated by a showing that the pertinent alleged misrepresentation of fact is, indeed, *the truth,* or that it was reasonably believed by the person who made it at the time it was made (no scienter).

In an apparent attempt to support its illogical *non-sequitur,* the Court of Appeals has seized upon the only significant conflict in trial testimony, to wit: that Kramer has testified that he brought with him to his initial meeting (with respect to the application for the patent in suit) with Gonsalves, at least some eight years before trial, a paper cutout on which the angles of the claims were specified numerically whereas Gonsalves and Dosso have testified that he brought with him only a not specifically remembered sample or samples of prior art products in a flattened or unflattened shape. From this testimony, the Court of Appeals concluded that the District Court was justified, not only in concluding that Kramer's trial testimony was untrue, but also, that Kramer had lied to the Patent Office some eight years earlier in his conventional oath. Kramer assumes that the "critical angles" to which the Court of

Appeals made reference in its supplemental opinion are the 65° angle and the 30°-40° angles shown in figure 1 of the patent in suit (App., p. 5a) and specified in claim 2 thereof (App., p. 5a).

First of all, there is no express reference whatsoever in the District Court's opinion and order to Kramer's "angle testimony" or to anyone else's "angle testimony".

Secondly, the District Court, which ably wielded micrometers and a protractor during trial, may be assumed to have understood that the "critical angles" are inherent in the structure drawn by Gonsalves *upon Kramer's instructions*. The critical instructions were Kramer's instructions to "nest" the bracket blanks to minimize scrap and, at the same time, to preserve the functional leg support angle of the prior art (App. 31a, 38a). The inherent nature of the angles is disclosed and explained at column 4, lines 5-46, of the patent in suit (Appendix P).

Thirdly, both Gonsalves' and Dosso's testimony appears to indicate that Kramer expressly required them to retain the 120° (65° in the form of the patent claims as ultimately allowed) functional support "critical angle" from the prior art (App. 31a, 38a). The Court of Appeals' finding that "witnesses testified that Kramer made no contribution to the choice of angles" is, simply, not in accord with the record nor with any express finding by the District Court.

Finally, if Kramer's testimony that he supplied Gonsalves with *written numerical specification* of the angles is untrue as the result of a faulty or rationalized memory or of puffing his case during trial testimony, there is no indication in the record that either Gonsalves or Dosso ever developed a *written numerical specification* of the angles. Gonsalves, in fact, testified that he made no calculations in connection with his design of the part (App. 34a, 35a). If the angles were not numerically specified in writing by Kramer or by Gonsalves, then the first *written numerical*

specification of the angles must have been that prepared by Kilcoyne, Kramer's patent solicitor, to whom Kramer presented the design of the part which inherently included the angles. The only *written numerical specification* of an angle included in the specification and claims of the application for the patent in suit as originally filed (Appendix M) or in the patent drawing as originally filed (Appendix Q) and to which Kramer's oath (Appendix N), therefore, applied is the 120° functional leg support angle (App. 46a). Both Gonsalves (App. 31a) and Dosso (App. 38a) testified unequivocally at trial that Kramer had instructed them that this important support angle had to be maintained. The other angles which appear in the specification, drawing and claims of the patent in suit as issued are inherent in the design of the part and were inserted into the patent application by Kilcoyne during the prosecution thereof before the Patent Office *after* the filing of Kramer's oath. The Patent Office did not reject such insertion as "new matter".

II. The Court Should Review the Decisions Below Because Those Decisions Have Decided an Important Question of Federal Law which Has Not Been but Should Be, Settled by the Court—Whether a Trial Court's Finding of Perjury During the Course of a Civil Action for Infringement of a Patent Should be Sanctioned by an Award of Attorney Fees, Pursuant to 35 U.S.C. § 285, or, if Punished at all, Should be the Subject Matter of Criminal Prosecution Pursuant to 18 U.S.C. § 1621 and Fed. Rules Cr. Proc., 18 U.S.C., Generally.

While both the District Court and the Court of Appeals have apparently founded the "exceptional case" holding and the resultant award of attorney fees pursuant to 35

U.S.C. § 285 on a finding that Kramer falsely swore to the Patent Office, in his oath, that he believed himself to be the sole inventor of the hinge bracket described and claimed in his application for the patent in suit, both courts have also made express findings of "incredible", "false" or untrue testimony by Kramer at the trial of the patent infringement action. Indeed, the District Court's finding that Kramer "lied when he said he was"—"the creator of the design or device" is sufficiently ambiguous to admit the possibility that the District Court's award of attorney fees was founded upon Patent Office fraud, perjury at trial or both. The Court of Appeals, on the other hand, apparently feeling compelled to found its affirmance of the District Court's attorney fee award squarely on fraud on the Patent Office, indulged in a classic *non sequitur*. It expressly rejected Kramer's Patent Office oath inventorship argument as "not the real issue", stated, without any express foundation in the District Court's opinion, that the District Court had found Kramer's trial testimony *with respect to angles* to be untrue and, from this, concluded that the District Court was justified in finding that Kramer had defrauded the Patent Office when he swore, some eight years earlier, to have believed himself to be the sole inventor *of the improved hinge bracket.* Thus, in the opinions of both courts below, findings of perjury at trial by Kramer have been relied upon, directly or indirectly, to justify or sustain the attorney fee award pursuant to 35 U.S.C. § 285.

Perjury at trial, in a civil action for patent infringement as well as in all other types of actions, is expressly declared to be a crime by 18 U.S.C. § 1621. Punishment for the crime of perjury is limited to a fine of not more than $2,000.00 (not $17,000.00 nor a reasonable fine), or to imprisonment for not more than five years or both. Moreover, a person accused of the crime of prejury at trial is assured of all of his rights to due process, jury trial, detailed indictment, heavier burden of proof, and the like,

guaranteed by the Fifth and Sixth Amendments to the Constitution of the United States and the applicable Federal statutes and rules enacted pursuant thereto.

In expressly providing, under 35 U.S.C. § 285, for the award of attorney fees "in exceptional cases", it is respectfully submitted that Congress has provided a different remedy which is both compensatory and punitive in effect and is to be related to patents themselves and to violations of the Patent Laws, Title 35 U.S.C. Thus, it seems apparent that conduct which makes a case "exceptional" within the meaning of 35 U.S.C. § 285 must, *inter alia* be violative of one or more express provisions of the Patent Laws.

The Patent Laws, Title 35 U.S.C., are silent on the issue of perjury at trial. Such conduct offends our system and laws for the conduct of court proceedings generally rather than any express provision of the Patent Laws. Perjury at trial is a personal violation of a personal oath made at trial to tell the truth at trial. It is unrelated to the subject matter area of the trial testimony.

Conversely making and filing a fraudulent oath with the Patent Office violates the express provisions of the Patent Laws, 35 U.S.C. § 115, which requires the submission of a true oath, and sanctions under the Patent Laws would appropriately apply to such conduct.

In terms of the facts of this case, if Kramer has been correctly found to have made and filed with the Patent Office a fraudulent oath as to his belief in his inventorship pursuant to 35 U.S.C. §§ 101 and 115, then an award of attorney fees under 35 U.S.C. § 285 is warranted. If he did not commit such a fraud on the Patent Office, but has testified falsely at trial, he should be punished under 18 U.S.C. § 1621, if at all. Patent Laws sanctions do not apply.

III. The Court Should Review the Decisions Below Because the Decision of the District Court Has so Far Departed from the Accepted and Usual Course of Judicial Proceedings and the Decision of the Court of Appeals Has so Far Sanctioned such a Departure as to Call for an Exercise of This Court's Power of Supervision—Kramer Has Been Deprived of his Constitutional Rights to Due Process of Law.

If as is one apparent alternative basis, in whole or in part, for the award of attorney fees in the amount of $17,000 against Kramer, the courts below have founded the attorney fee award on their respective findings of perjury in Kramer's testimony at trial, then Kramer was utterly deprived of his constitutional rights to due process of law. He was not informed by indictment, pleading or otherwise of the nature and cause of the accusation against him in seasonable time to permit him to make a timely jury demand or to permit his counsel to prepare an adequate defense. There is no indication in the record that any court applied the customary "beyond a reasonable doubt" test. Yet Kramer stands accused, tried and convicted of the crime of perjury for which he has been "sentenced" by the judgment of the District Court to pay a quasi-criminal fine of $17,000, an amount far in excess of the $2,000.00 fine limitation provided for in 18 U.S.C. § 1621. Additionally, as the named inventor of some twenty-five other United States patents, this civil "conviction" of a felony will follow him forever.

If, on the other hand, the award of attorney fees is based entirely upon findings of fraud on the Patent Office, then the conduct of this case by the courts below still does not meet the requirements of due process of law. Recognizing, apparently that such cases fall conjointly within the ambit of the Patent Laws and the Crimes Laws, the

courts have traditionally afforded one so accused the benefit of a higher standard of proof than that normally applicable to issues in civil actions.

In a recent analogous case, *Congoleum Industries, Inc.*, v. *Armstrong Cork Co.*, 339 F. Supp. 1036, 1060 (E.D. Pa. 1972), where a charge of fraud on the Patent Office was founded upon an oath of inventorship, the court held that:

> "proof of fraud on the Patent Office must be clear, unequivocal and convincing, and a mere preponderance of evidence which leaves the issue in doubt is a wholly insufficient basis for a finding of fraud. Baldwin-Lima-Hamilton Corp. v. Tatnall Meas. Sys. Co., 169 F. Supp. 1 (E. D. Pa. 1958), aff'd. 268 F.2d 395 (3d Cir.), *cert. denied*, 361 U.S. 894, 80 S. Ct. 190, 4 L. Ed. 2d 151 (1959). Defendant has fallen far short of the exacting standard of proof of fraud. We find no merit in its position."

The Court of Appeals for the Second Circuit has similarly held that a charge of perjury must be established by "clear and convincing proof". *Barr Rubber Products Company* v. *Sun Rubber Company*, 425 F.2d 1114, 1120 (2d Cir. 1970), *cert. denied*, 400 U.S. 878 (1970). This is "especially so when a finding that material evidence has been falsified permits the allowance of an adversary's attorney fees not otherwise recoverable." (*Id.* at 1120-1121). Moreover, that Court of Appeals was able to "assume from the lower court's silence that it applied [the] normal 'preponderance of the evidence' test." (*Id.* at 1120).

It is respectfully submitted that the District Court, in this case too, has erred in applying the "preponderance of the evidence" standard of proof to its charge of perjury against Kramer rather than the more stringent "clear and convincing proof" standard, as established by *Barr*.

Moreover, it would appear that, in civil cases where criminal or quasi-criminal charges are raised by way of

affirmative defense or counterclaim, due process should require that, at the very least, that the requirements of the Federal Rules of Civil Procedure for the protection of civil litigants be scrupulously adhered to. In this case, for example, G & A should not have been permitted at trial to introduce evidence of fraud by reason of a false oath of inventorship by Kramer when, contrary to Rule 9(b), F. R. Civ. Proc., 28 U.S.C. G & A's counterclaim as pleaded (App. 26a) contained no statement of the particulars of the fraud pleaded, and G & A's affirmative defense as pleaded was actually misleading (App. 25a-26a) in that it alleged only the conventional free swinging charge of fraud on the Patent Office by concealment of the best prior art known to the applicant.

Moreover, it has ill behooved the Court of Appeals to find in a supplemental opinion for the first time in the case, after the appeal had been fully briefed, argued and decided and after Kramer had filed his petition for rehearing *en banc,* that the District Court had concluded that Kramer was not telling the truth with respect to the origin of the angles specified in the claims (App. 5a). The District Court had made no reference whatsoever to angles testimony in its opinion and order (Appendix A), and, by relieving the District Court, at that late date, of its obligation pursuant to Rule 52(a), F.R. Civ. Proc., 28 U.S.C., to "find the facts specially and state separately its conclusions of law thereon", the Court of Appeals effectively deprived Kramer of his right to a plenary appeal of this critical issue. Contrary to the statement of the Court of Appeals (App. 21a) that "two witnesses testified that Kramer made no contribution to the choice of angles", the trial testimony of these same two witnesses confirms that Kramer's instructions to them were to maintain the only angle (the 120° leg support angle) which appears in the application for the patent in suit as filed (App. 46a, Appendix Q) and to which Kramer's oath (Appendix N) referred (App. 31a, 38a).

IV. The Court Should Review the Decisions Below Because These Decisions Will Have a Sweeping Inpact on the Patent System Far Beyond Adjudicating the Rights of the Parties to this Action.

In finding (at App. 3a) that:

> ". . . this case presents the *once-in-a-lifetime* situation wherein the defendant . . . argues that, if there is an invention, some one other than the patent owner invented it" (emphasis supplied),

the District Court displayed an unawareness that "inventorship" issues are extremely common in patent cases and are often the central issue to be litigated. The venerable *Walker On Patents* (Deller's Edition), Baker, Voorhis and Company, 1937, lists inventorship issues as the conventional eighth, ninth and tenth defenses to patent infringement actions (§§ 667, 668).

Treatises on patent law conventionally contain sections on "joint and sole inventions", and the possibility of confusion on this issue is freely acknowledged.

> "It may be difficult under certain circumstances to determine the actual inventors of an invention resulting from collective efforts; . . .", *Patenting The Invention,* by V. Alexander Scher, Mathew Bender & Co., 1948, p. 22.
>
> "If . . . C.D. notices the need of a new machine to perform a particular function and calls the attention of E.F. to the matter, and a successful invention is, after many conversations between the two, embodied in a working machine constructed by the hands of both, then it may be that C.D. is the sole inventor, or it may be that E.F. is the sole inventor, or, it may be that both are joint inventors of the machine they produce." *Deller's Walker On Patents* (Second Edition), Vol. 1, 1964, p. 182.

"§ 6. One who is directing others to carry out his general ideas may be an inventor, even though he may not be the actual discoverer of the particular thing that constitutes the final invention. The actual discoverer of a particular invention may not be the inventor. If he is executing the general plan of investigation and invention for another, the person under whom he is working is generally regarded as the inventor and the accomplishment of the associate is merely an expression of the intellectual activity of the principal." *Invention and the Law,* by Harry Aubrey Toulmin, Jr., Prentice Hall, 1936, p. 70.

"There are many instances in which the courts have been called upon to decide whether a particular device is truly the joint invention of two persons or whether it is the invention of one of them, the other being merely a technical assistant. There is no exact and general rule for guidance in such cases. If one of the two collaborators conceived the device in its entirety and the other acted merely as a mechanic in constructing the new machine or as a laboratory helper in making the new substance, the invention would belong solely to the person who originated the idea and not at all to the one who first embodied it in tangible form. . . . The mere fact that he had employed his technical knowledge and skill in the performance of his duties does not make him a co-inventor." *Patent Law For Chemists, Engineers and Executives,* by Fred H. Rhodes, McGraw Hill, 1931.

In view of the foregoing, the allegation by G & A's witness, Gonsalves, that he, rather than Kramer, was the sole inventor of the claimed subject matter can hardly be considered to be a "once-in-a-lifetime" plea for such a conclusion of law.

Allegations of misjoinder of inventor have been such a common problem in patent infringement actions brought to trial, that, when the Patent Laws were revised in 1952, a special section, Title 35 U.S.C. § 256, was added to deal with the problem. This section provides that misjoinder or nonjoinder of joint inventors shall not invalidate a patent, if such error can be corrected by the court as provided in that section.

However, neither 35 U.S.C. § 256 nor its companion provision related to pending patent applications, 35 U.S.C. § 116, have erased the inventorship problem as one of the muddiest concepts of the patent law. Collaborators in the process of inventive activity, be they fellow corporate employees or independent contractors, will forever be susceptible to differences of opinion as to who made the inventive contribution, whether joint or sole. Should the collaborators become disassociated and disgruntled with one another for any reason during the seventeen year life of the patent, charges of fraud are bound to fly.

It is respectfully submitted that a viable patent system requires the fair administration of a strict standard of invention by the Patent Office and the courts, and that collateral attacks on issued patents on technicalities in confused areas of fact and law are to be discouraged. It is high time that the Court breathed new life into its doctrine of inventorship as exemplified by its decisions in *Agawam Co.* v. *Jordon, supra,* and *Minerals Separation, Ltd.* v. *Hyde, supra,* as related to the effect of the conventional inventorship oath required by 35 U.S.C. § 115.

V. The Court Should Exercise its Power of Judicial Supervision to Resolve a Clear Conflict Among the Recent Decisions of the Court of Appeals for the Second Circuit as to the Standard to be Applied in Ascertaining Whether a Case is so Exceptional as to Justify an Award of Attorney Fees Pursuant to Title 35 U.S.C. § 285, a Question of Federal Law Which Has Not Been, but Should be Settled by This Court. The Decision of the Court of Appeals in this Case is Also in Conflict with the Position of the Court of Appeals for the Tenth Circuit.

The Court of Appeals has founded its decision in this case in part upon its earlier decision in *Kahn* v. *Dynamics Corporation of America,* 508 F.2d 939 (2d Cir. 1975). But the *Kahn* case, finally decided by the Court of Appeals on January 9 of this year, a scant two and one-half months before its decision in this case (*supra,* at 944), states that awards of attorney fees under the applicable statute, 35 U.S.C. § 285, in the Second Circuit are still governed by "the leading case in this Circuit on this subject", *Indiana General Corp.* v. *Krystinel Corp.,* 297 F.Supp. 427 (S.D.N.Y. 1969), *aff'd,* 421 F.2d 1023 (2d Cir.), *cert. denied,* 398 U.S. 928 (1970). The rule is that

> "only where the court is convinced that the patent in suit is so wholly devoid of substance that the plaintiff could not have had a bona fide belief in its validity shall it award the defendant reasonable attorneys' fees pursuant [to the statute.]" (*Kahn,* at 944).

In *Indiana General Corp.* v. *Krystinel Corp.,* 421 F. 2d 1023 (2d Cir. 1970), *cert. denied,* 398 U.S. 928 (1970), the Court of Appeals for the Second Circuit fully supported the findings of the District Court to the effect that the patent owners' conduct before the Patent Office was "less

than candid" (*Id.*, at 1033, 1034). The Court of Appeals found that, had the Patent Office received a full disclosure of the facts, "the proceedings might have ended abruptly in final rejection of the application." (*Ibid.*). The patentee's conduct before the Patent Office was characterized as "furtiveness" (*Id.* at 1034). Nevertheless, apparently finding that the evidence failed to show "the willful intent to deceive" (scienter) (*Id.* at 1033), the Court of Appeals found that the patent owner might have had "a bona fide belief in the patent's validity" (*Id.* at 1034) and denied attorney's fees.

The "attorney fee" standard of the Second Circuit in *Krystinel* has been cited with approval by the Court of Appeals for the Tenth Circuit in *Q-Panel Co.* v. *Newfield*, 482 F.2d 210, 211 (10th Cir. 1973).

> "The statute contemplates such misconduct upon the part of the losing party as to constitute fraud on the Patent Office or so unfair and reckless as to make it unconscionable for the prevailing party to sustain the expense of counsel."

Moreover, the United States District Court for the Southern District of New York has applied a similarly stringent standard of alleged misconduct in several recent cases. See *Delamere Co., Inc.* v. *Taylor-Bell Co., Inc.*, 249 F. Supp. 471 (S.D.N.Y. 1966); *Bussemer* v. *Artwire Creations, Inc.*, 231 F. Supp. 798, 805 (S.D.N.Y. 1964); *Formal Fashions, Inc.* v. *Braiman Bows, Inc.*, 254 F. Supp. 389, 395 (S.D.N.Y. 1966), *aff'd*, 369 F. 2d 536 (2d Cir. 1966).

Thus, the decisions of the courts below in this case appear to be in sharp conflict with the mainstream rule of the Second Circuit. Where, it is respectfully asked, has the record established that Kramer *knowingly lied* when he stated to the Patent Office that he believed that he was the "sole inventor" of the patented invention? Absent the establishment of such scienter *by clear and convincing*

proof, attorney fees, in view of *Krystinel,* are not to be awarded. "Sole inventorship" is not a fact, but is, rather, a legal conclusion. Moreover, in accordance with the law of inventorship as defined in this Court's decisions in *Agawan, supra,* and *Minerals Separation, supra,* and not inconsistent with the stated factual findings of the District Court as to what transpired between Kramer and Gonsalves, Kramer probably is the "sole inventor" of the patented bracket blank. *He was and is, at the very least, entitled to "a bona fide belief" that he is the sole inventor.*

CONCLUSION

For the foregoing reasons, a writ of certiorari should issue to the Court of Appeals for the Second Circuit.

Respectfully submitted,

HARVEY E. BUMGARDNER, JR.
Attorney for Petitioner
1230 Sixth Avenue
New York, New York 10020

Of Counsel:

BARBARA BUMGARDNER
ARTHUR, DRY & KALISH

August 19, 1975.